

July 12, 2004

Indiana Member Insurance Carriers,

Enclosed is the State of Indiana Assessment Tax Credit Form which must be completed and returned no later than October 31st of each calendar year. Please note that while Indiana Code 27-8-10-2.3 requires that each member insurer attach an independently audited report certifying the information on the form, we will accept a copy of the 2003 tax return showing the amount of credit taken. The State of Indiana Assessment Tax Credit Form will be considered incomplete without an attached certification.

Please send all State of Indiana Assessment Tax Credit Forms and Certifications to Client Accounting, 4550 Victory Lane, Indianapolis, IN 46203. Phone calls and questions can be left on the ACS voice mailbox at 317-614-2018.

Sincerely,

Ann Bingman, Client Accounting and Compliance Director

Enclosure: State of Indiana Assessment Tax Credit Form

State of Indiana Assessment Tax Credit Form

Pursuant to Indiana Code 27-8-10-2.3(a) effective July 1, 2004, a member shall, not later than October 31 of each year, certify an independently audited report to the (a) Association (b) Legislative Council, and (c) Department of Insurance of the amount of tax credits taken against assessments by the member under section 2.1(n) (1) of this chapter during the previous calendar year. Pursuant to section 2.3(b), the member must also certify an independently audited report to the association the amount of assessments paid by the member against which a tax credit has not been taken under section 2.1 or 2.4 of this chapter as of the date of the report. This information should be submitted to the Indiana Comprehensive Health Insurance Association (ICHIA) for compilation of the report to the Legislative Council and the Department of Insurance.

NAIC #: _____

Member Name: _____

Member Address: _____

Member Address: _____

Contact Name: _____ Contact Phone: _____

	ICHIA Assessment Credits applied to tax year 2003 filing(s) for Assessments paid during the following year(s):				
	2003	2002	2001	2000	Total
Type(s) of Tax – Tax Year 2003:					
Premium					
Gross Income					
Adjusted Gross Income					
Supplemental Corporate Net Income					
Other (Specify)					
Total assessment credits used to reduce 2003 taxes (See Note)					

Total amount of paid assessments against which a tax credit has <u>NOT</u> been taken as of 12/31/03:	
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Note: Effective January 1, 2005, no new tax credits will accrue. Tax credits currently held can begin to be used starting January 1, 2007 at a rate not to exceed 10% per year. Below is an excerpt from House Bill 1273. Please be advised that a careful review of enrolled HB 1273 is strongly recommended.

SECTION 4. IC 27-8-10-2.4 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2005]: Sec. 2.4.

(a) Beginning January 1, 2005, a member that, before January 1, 2005, has:

(1) paid an assessment; and

(2) not taken a credit against taxes;

under section 2.1 of this chapter (as in effect December 31, 2004) is not entitled to claim or carry forward the unused tax credit except as provided in this section.

(b) A member described in subsection (a) may, for each taxable year beginning after December 31, 2006, take a credit of not more than ten percent (10%) of the amount of the assessments paid before January 1, 2005, against which a tax credit has not been taken before January 1, 2005. A credit under this subsection may be taken against premium taxes, adjusted gross income taxes, or any combination of these, or similar taxes upon revenues or income of the member that may be imposed by the state, up to the amount of the taxes due for each taxable year.

(c) If the maximum amount of a tax credit determined under subsection (b) for a taxable year exceeds a member's liability for the taxes described in subsection (b), the member may carry the unused portion of the tax credit forward to subsequent taxable years. Tax credits carried forward under this subsection are not subject to the ten percent (10%) limit set forth in subsection (b).

(d) The total amount of credits taken by a member under this section in all taxable years may not exceed the total amount of assessments paid by the member before January 1, 2005, minus the total amount of tax credits taken by the member under section 2.1 of this chapter (as in effect December 31, 2004) before January 1, 2005.

Signature of Officer:

I affirm, under the penalties of perjury, the above figures are true and correct according to the best of my information, knowledge, and belief.

Signature of Officer: _____

Printed Name of Officer: _____

Title of Officer: _____ Date: _____

Mailing Address: ICHIA
Attn: Client Accounting
4550 Victory Lane
P. O. Box 33730
Indianapolis, IN 46203
Phone (317) 614-2018